



Intersect ENT Announces Agreement to Acquire Fiagon AG Medical Technologies for €60 Million Paid Over Three Years

September 15, 2020

Novel navigation technology and recently FDA-cleared sinuplasty balloon expand Intersect ENT's commercial product portfolio

Extends Intersect ENT's footprint in U.S. and European ENT physicians' offices

MENLO PARK, Calif. and BERLIN--(BUSINESS WIRE)--Sep. 15, 2020-- Intersect ENT, Inc. (Nasdaq: XENT), a company transforming care for patients with ear, nose and throat ("ENT") conditions, today announced it has entered into an agreement to acquire [Fiagon AG](#) Medical Technologies, a leader in electromagnetic surgical navigation solutions, for €60 million in cash. Under the terms of the transaction, Intersect ENT will make an initial €15 million payment at the time of the closing and €15 million annual payments for the subsequent three years. The acquisition is expected to close within 30 days, subject to customary closing conditions.

"Fiagon represents a strategic technology acquisition for Intersect ENT that immediately expands our portfolio of ENT product offerings, complements our existing PROPEL® and SINUVA® sinus implants and helps extend our geographic reach," said Thomas A. West, President and CEO of Intersect ENT. "Fiagon develops, and commercializes globally, innovative electromagnetic surgical navigation systems and an associated suite of surgical tools targeted to the ENT surgical space. In addition, in August of 2020 Fiagon received US FDA 510K clearance for a navigable sinuplasty balloon. The combination of the Intersect ENT and Fiagon portfolios allows Intersect ENT to deliver more comprehensive surgical solutions across the sinusitis care continuum regardless of site of care. This deal is consistent with our intention to provide comprehensive value-added and evidenced-based solutions for ENT physicians and the patients they serve."

Founded in 2007, Fiagon's mission is to improve patient outcomes by equipping physicians with its proprietary, easy-to-use, accurate and integrated surgical navigation solutions. Fiagon's navigation system supports both routine and complex ENT procedures enabling surgeons to track the full range of instruments deployed during a functional endoscopic sinus surgery (FESS) procedure. Fiagon's proprietary instruments are tip-tracked and do not require calibration making them extremely intuitive and easy to use. The instruments and sinuplasty balloon can be bent and adjusted to accommodate various anatomical structures within the sinuses, allowing ENT surgeons to maximize efficiency within their procedures.

"We are excited to join the team at Intersect ENT, an established leader with an advanced therapeutic platform in the large and attractive global ENT market," said Dr. Kai Desinger, President and CEO of Fiagon Group. "The combination of Intersect ENT's compelling product offerings coupled with its deep commercial leadership expertise and impressive sales force offers a unique opportunity for us to jointly leverage our core innovation and commercialization competencies. We look forward to working with the Intersect ENT team to expand market penetration of our instruments and tools globally."

The transaction is expected to close in the fourth quarter of 2020 and will be financed using balance sheet cash. The acquisition is expected to be accretive to top-line growth in the first year post close.

Goldman Sachs & Co. LLC is acting as exclusive financial advisor to Intersect ENT and Cooley LLP and Fieldfisher (Germany) LLP are acting as its legal counsel. Oppenheimer is acting as financial advisor to Fiagon and Morrison & Foerster LLP is acting as its legal counsel.

About Intersect ENT

Intersect ENT is a company transforming care for patients with ear, nose and throat conditions. The Company's steroid releasing implants are designed to provide mechanical spacing and deliver targeted therapy to the site of disease. In addition, Intersect ENT is continuing to expand its portfolio of products based on the Company's unique localized steroid releasing technology and is committed to broadening patient access to less invasive and more cost-effective care.

For additional information on the Company or the products including risks and benefits please visit www.IntersectENT.com. For more information about PROPEL® (mometasone furoate) sinus implants and SINUVA® (mometasone furoate) sinus implant, please visit www.PROPELOPENS.com and www.SINUVA.com.

Intersect ENT®, PROPEL® and SINUVA® are registered trademarks of Intersect ENT, Inc.

About Fiagon

Fiagon develops and manufactures state-of-the-art surgical navigation equipment with its proprietary tip-tracked technology. Over the past ten years Fiagon, along with world-renowned physicians, changed the standard of ENT navigation with its easy-to-use electromagnetic based technology. This unique technology is also currently used in oral and maxillofacial surgery, neurosurgery and spine surgery, outside the US, mainly in Europe and Asia.

Forward-Looking Statements

The statements in this press release regarding Intersect ENT's continued growth and financial outlook are "forward-looking" statements. These forward-looking statements are based on Intersect ENT's current expectations and inherently involve significant risks and uncertainties. These statements and risks include Intersect ENT's ability to provide solutions to improve surgical outcomes, to expand the use and adoption of its current products and advance its pipeline, to grow the business, to obtain and maintain FDA or other regulatory approvals, to procure and maintain adequate coverage and reimbursement for our products and/or the procedures in which they are used, the projection that the transaction will be accretive to Intersect ENT's top-line growth in the first year, and Intersect ENT's projections about the positive impacts of the acquisition of Fiagon and its products.

Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which are described in the company's filings on Form 10-K, Form 10-Q and the company's other filings with the Securities and Exchange Commission (SEC) available at the SEC's Internet site (www.sec.gov). Intersect ENT does not undertake any obligation to update forward-looking statements and expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein.

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